

CHILD SUPPORT GUIDELINES ADVISORY COMMITTEE

AUGUST 1, 2003

MINUTES

Committee Members Present:

Stewart Ralphs
Jan Day
Millie Peterson
Helen Christian
DiAnna McDowell

Jessie Fan
Dave Salazar
Judge Joseph Fratto
Tom Maloney
Mark Brasher

Committee Members Excused:

Bruce Bilodeau

Staff Present:

Robin Arnold-Williams, DHS
Brian Nelson, Admin. Office of the Courts

Guests Present:

List on File

Welcome and Introductions:

Helen Christian called the meeting to order at 12:10 p.m. All present introduced themselves.

Approval of Minutes from July 14th:

The minutes were approved as drafted.

Update on Utilization of Child Support Guidelines:

Brian Nelson provided updated data for FY'03 (July 1, 2002 through June 30, 2003) on the number of cases and compliance with the child support guidelines. Overall, data shows that of the 3427 worksheets received during this time period, 91% of the orders were within the child support guidelines with 9% (323) deviating from the guidelines. Of those with a deviation, 208 were for awards higher than the guidelines and 115 were for awards lower than the guidelines. Brian also provided data on the reasons for the deviations. The majority of deviations were based on agreements between the parties. A copy of the full report is available on file.

Committee members discussed various aspects of this data including issues such as (1) even some of the documented deviations may in fact be within the guidelines; (2) the concern that others that are not documented as deviations due to mistakes that are made on worksheets and the growing number of "do your self" divorces involving no attorneys; (3) apparent discrepancy between number of divorces files and

the number of worksheets received; and (4) inquiry regarding satisfaction levels of custodial and non-custodial parents.

The Committee requested a change in the reporting format with the number of decrees or other final orders issues being provided in lieu of the number of divorce cases filed. Brian agreed to make this modification.

Discussion of PSI Proposals:

Issue of Medical Expenses -- Key issues are whether there should be any amount for “ordinary” medical expenses built into the guidelines and how the costs of medical expenses should be shared between the parents. Currently medical costs are excluded from the guidelines and state law provides that expenses are to be equally shared (50/50) between the parents. PSI proposal would include a base of \$250 per child of medical costs in the guidelines with costs above that being shared.

Committee members discussed various pros and cons of this proposal. Elements discussed included fairness, needs of children with disabilities and special medical needs, the variability of these needs and costs, and whether or not it would increase or decrease confrontation between the parties.

Millie Peterson moved that the Committee recommended maintaining current law and not factoring in any medical costs into the guidelines themselves. Tom Maloney seconded. Vote was 10 yes, 0 no.

Committee members then discussed issue of whether to recommend maintaining current law regarding the 50/50 split for medical expenses or moving to provision where expenses would be shared based on each parent’s share of income computed on the worksheet. Key discussion elements were incentives/disincentives to responsible actions, definitions of “reasonable and necessary”, whether this is a problem area or not, and other options that might be considered.

Committee decided that since this is an area where PSI reports that most states use an income sharing methodology, it would be discussed further with PSI at the next meeting. Committee would like PSI to describe how other states handle this issue, in particular whether any states have a “floor” in terms of percentage of medical expenses to be paid by the custodial or non-custodial parent.

Issue of lack of consistency in use of rounding or number of decimal points used on the worksheet – In the course of discussion regarding medical expenses, the issue arose that there is no consistency in the number of decimal points that are used in the worksheet calculations and no consistency in whether income and child support numbers are rounded to the nearest dollar. After Committee discussion of the pros and cons of various approaches, Stewart Ralphs moved that whole numbers be used throughout the worksheet (income numbers and percentages) and that the child support award amount be rounded to the nearest dollar. Vote was 10 yes and 0 no.

Issue of treatment of child care expenses – Current Utah law provides for reasonable child care expenses actually incurred to be split 50/50 between the parents. Committee members discussed various aspects of this issue including the potential for extreme variability in this area as compared to medical expenses, concerns regarding potential abuses of this provision, the lack of recognition that non-custodial parents may be able to provide the child care to reduce costs to both parents, and pros and cons to moving this to an income shares split.

Millie Peterson inquired as to whether both incomes are considered when a custodial parent applies for a child care subsidy. An inquiry will be made to Dept. of Workforce Services and information will be provided at the next meeting.

DiAnna McDowell raised a question related to the impact of moving either child care and/or medical expenses away from a 50/50 split and to an income shares split on the “self-support reserve” which is

currently built into the guideline tables. This question will be submitted to PSI to address in the next meeting.

Issue tax exemptions – Committee members discussed the current provisions of law and the current practice. There appears to be a discrepancy between when PSI reports in on page 35 as the assumption that “the custodial parent is entitled to claim the tax exemptions(s) for any divorce occurring after 1984, unless the custodial parent signs over the exemption(s) to the non-custodial parent each year” and the provisions of UCA 78-45-7.21. PSI will be asked to clarify this point. Committee members would also like PSI to address how this assumption could be removed as a presumption in the tables and what impact that removal would have. Another question that arose and will be directed to PSI is to clarify how the Earned Income Tax Credit is or isn’t considered in the regular and/or low-income tables.

Committee adjourned at 2:15 p.m.